## TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE Transcriber's Office FLOOR DEBATE

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don't know what the right number is. In many ways you should say that it's probably well over two or three or four hundred million. We actually use about two to three hundred million a How much do you really need in reserve? If I had my personal druthers, I wouldn't have drawn it down even in the last few years, if you're really going to keep it at a level that would take you through whatever times they are. The thing is, we don't know how bad times will be, how extended they will be and so forth. So I think this is really what a savings account is for and we spent some of it in the good times to allow property tax relief. Now we're seeing the good times slowing down, at least, and we're going to have a significant amount left. I think it was always understood. By the way, the next amendment will be the one that does the transfer of the \$30 million, \$30 million of changes...I mean changes the appropriations, I should say, on the Community College Property Tax Relief Fund. That will be the \$30 million in the next...in next amendment. But the point is that Cash Reserve is there. What it should be is hard to know but it isn't like we're pulling it down to nothing. The question really is, as talked about in the Forecast Board the other day, are we in a "V", in other words, are we coming down and going immediately back up; are we in a "U"? I think there was some thought that we might be in a "U", might be in a trough rather than a "V". other words, we may come back slowly. We may come back more rapidly than that. But at least we've got two years here that feel fairly confident of our reduced revenue and we are...if...if we really do get in a bind I guess we will have to react a year from now. But this is the best estimates that have been there for several years. It's keeping on a fairly accurate trendline. We've reduced this accordingly. I think it's important to say that the Forecast Board was divided. Many in the eastern part of the state were somewhat, I use the term in the commodity markets, bullish. They were optimistic. Others were less optimistic and so these represent probably human emotions, to some degree, as to how it is out there. This is a best analysis that we can have. But satisfy it to say that this reduced money in the Cash Reserve Fund is because less money went into it. Isn't because we have spent it out; it's because we had less flowing into it per state statute. And it is not impossible come June 30 that this...there would not be as much